

United States Senate

WASHINGTON, DC 20510-2309

October 8, 2015

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The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20536

The Honorable Loretta Lynch
Attorney General
Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Chairman Wheeler and Attorney General Lynch:

I am writing to urge you to examine the proposed New Charter transaction – Charter Communications’ (Charter) proposal to merge with Time Warner Cable (TWC) and Bright House Networks (BHN) – with the highest level of scrutiny. I remain concerned about the impact of further consolidation in an industry that is already highly concentrated. A deal of this size could have a lasting effect on the quality and affordability of broadband and cable services available to consumers across America. In your ongoing review of the proposal, I urge you to examine how the deal will impact consumers, particularly those living in rural areas, and whether the New Charter applicants’ proposed commitments to serve the public interest are reliable and the best way of expanding and improving access to broadband and cable services.

In today’s world, affordable access to broadband Internet is vital to Americans’ ability to communicate and successfully engage in our global economy. Unfortunately, too many of our rural communities are unable to capitalize on all of the modern day benefits associated with high speed Internet. In my home state of Minnesota, a large number of rural households don’t have access to Internet speeds of 25mbps or higher. And although Charter is present in many of Minnesota’s rural counties, its service is largely focused in the more concentrated population centers and does not extend to the harder-to-reach homes.

In light of this, I appreciate that the New Charter applicants have asserted a commitment to providing high-speed service to rural areas.¹ But I am concerned that their public interest statement does not specify how and where they intend to build out their network. Moreover, I recognize that the cost of building out and maintaining broadband networks in rural areas can be significant, and that the incentive to invest may be minimal or dependent on federal assistance programs. I question whether, after New Charter undertakes the considerable debt that will be necessary to secure the proposed transaction, the company will have the resolve and available resources to serve the public interest by expanding broadband to our rural areas. In addition, I am concerned that the debt may compromise the combined company’s ability to fulfill its other commitments to expand access to quality and affordable telecommunications services, and thus undermine many of the promised benefits of the transaction.

¹ CHARTER COMMUNICATIONS, PUBLIC INTEREST STATEMENT (SUMMARY) (2015), *available at* <https://charterresourcecenter.com/> (follow “Charter – Time Warner Cable – Bright House Networks Public Interest Statement Summary” hyperlink).

It is crucial that the reliability of the New Charter applicants' proposed commitments is examined, and that careful consideration is given to whether the potential competitive harms of this transaction continue to outweigh these promised benefits. For example, with regard to net neutrality, I am pleased that the applicants acknowledge that abiding by the Federal Communication Commission's Open Internet Order will yield significant benefits for the public. I am disappointed, however, that their express commitment to do so, notwithstanding any forthcoming court ruling, is limited to a three-year period. Overall, I believe the key questions that remain are whether further consolidation is the only or best means of achieving the important goals reflected in New Charter applicants' public interest statement, and whether the transaction would still serve the public interest if the asserted commitments were not deemed enforceable or reliable.

I believe that further consolidation in this industry should only be permitted if it results in better and more affordable services for consumers across the nation, including those in living in our rural areas. As always, thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me or Leslie Hylton on my staff at Leslie_Hylton@judiciary-dem.senate.gov or (202) 224-5641.

Sincerely,

A handwritten signature in blue ink, appearing to read "Al Franken", with a long horizontal flourish extending to the right.

Al Franken
United States Senator



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 23, 2015

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Franken:

Thank you for your letter regarding Charter Communications' proposed merger with Time Warner Cable and acquisition of Bright House Networks. I appreciate your continued interest in this matter, as you indicated your initial concerns in a letter on May 26, 2015.

As is always the case, the Commission will evaluate whether the proposed merger is in the public interest. Along with the issues noted in your most recent letter, our analysis takes several factors into account, including how all American consumers – residing in both rural and non-rural areas – would benefit if the deal were approved. While in keeping with precedent, I am unable to discuss the merits of this particular proposal. I can assure you that the Commission will be conducting an open and transparent process as required by FCC rules and regulations. We recently received comments and petitions to deny the transaction from the public, as well as responses to the Information and Document Requests we sent to the applicants. In addition, we have issued requests for information to other industry players to learn more about the transaction's potential effects. Once we finish developing the record based on these and other materials, we hope to conclude our review as quickly as possible.

Again, thank you for your ongoing interest in this matter. The letters you have sent on this matter will be made part of the official record of the proceeding.

Sincerely,

A handwritten signature in blue ink, which appears to read "Tom Wheeler", is written over the word "Sincerely,".

Tom Wheeler